4.   The system of claim 3, further comprising a riser having an upper end located at the surface and a lower end connected to the wellbore, said riser for delivering the combination fluid from the wellbore to the surface.

5.   The system of claim 4, further comprising:

a rotating head device connected to the lower end of the riser, said rotating head device for blocking return flow of the combination fluid from the wellbore into the riser when actuated; and

a return line having an upper end located at the surface and a lower end connected to the rotating head device, said return line for establishing communication between the surface and the wellbore to facilitate delivery of the combination fluid from the wellbore to the surface when the rotating head device is actuated.

6.   The system of claim 5, further comprising a separation unit located at the surface for separating the combination fluid into a base fluid component and a drilling fluid component.
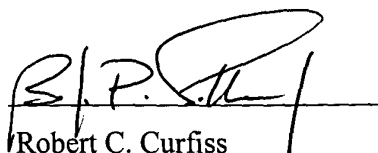
7.   The system of claim 1, wherein the density of the drilling fluid is adapted to facilitate underbalanced drilling operations.

8.   The system of claim 1, wherein the density of the drilling fluid is adapted to facilitate near-balanced drilling operations. --

REMARKS

A prompt examination and allowance of the pending claims in the above-identified application is respectfully requested.
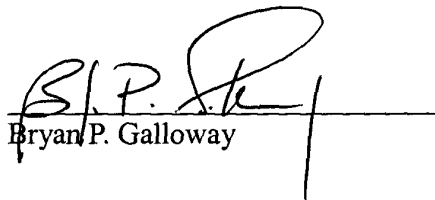
Respectfully submitted,

(signature)

/Robert C. Curfiss
Registration No. 26,540
Bryan P. Galloway
Registration No. 50,312
Jackson Walker, L.L.P.
112 E. Pecan Street, Suite 2100
San Antonio, Texas 78205
(713)752-4200 - Telephone
(713)752-4221 - Facsimile
ATTORNEY FOR APPLICANT

CERTIFICATE OF MAILING

I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is being deposited on the date shown below with the United States Postal Service, with sufficient postage as First Class Mail (37 CFR 1.8(a)), in an envelope addressed to: Mail Stop Non-Fee Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

DATE: _8/28/2003_   BY: _(signature)_
                          Bryan P. Galloway